

## **4. Activities to be Undertaken**

### **4.A. Housing and Community Development Goals**

DHCD implements the HUD-mandated goals to provide decent housing, a suitable living environment, and expanded economic opportunities for low-to-moderate income residents through programs that serve the needs of residents as expressed at the needs hearing conducted by the Department.

The Department's programs form the strategies to achieve these broad-based goals:

- Increasing home ownership opportunities;
- Increasing the supply of affordable housing for renters and owners; and
- Supporting neighborhood revitalization with economic opportunity for low-to-moderate income residents.

DHCD is committed to promoting development of a wide-range of housing and economic opportunities for District residents.

#### **4.A.1. Increasing Home Ownership Opportunities**

Promotion of home ownership is an essential ingredient in the city's housing plan. The District's rate of home ownership still lags the national average and the average for other central cities, although inroads have been made. With the District's decline in population at an end, and with new units for households of all incomes being produced at a rate not seen in a decade or more, the opportunity to provide homeownership opportunities for DC residents is at hand.

Increasing home ownership provides several benefits:

- Homeownership builds an individual's wealth and improves access to credit;
- Homeownership leads to stronger neighborhoods, greater investment in the residential and commercial facilities in the community and increased civic participation;
- Homeownership results in better-maintained homes and yards; and
- Homeownership provides an expanded revenue base to fund additional community needs.

The District's strategy for increasing homeownership is two-pronged. We will provide counseling and resources to DC residents to enable them to purchase their first homes, and we will support the construction and rehabilitation new single-family homes to increase the supply of suitable, affordable properties.

To provide potential homeowners with the information and support that they need, we will provide an extensive program of homeownership counseling and referrals. These services will be provided in the neighborhoods through a network of community based organizations. In addition, as a result of the recently enacted Housing Act of 2002, the District will create a new homeownership counseling resource—an online resource for potential home purchasers who prefer to do their research online.

In addition to information, many potential homebuyers need less expensive sources of mortgage

finance. Our strategy includes subsidizing below-market purchase money mortgages using HOME funds and tax-exempt bond finance. The mortgage product is available through the DC Housing Finance Agency.

Even more potential purchasers are reached through the Home Purchase Assistance Program (HPAP). HPAP extends homeownership opportunities to individuals who lack the up front costs of purchasing homes – money for down payment and closing costs. Included in the program are initiatives to attract government employees and police officers to neighborhood home ownership. A new initiative is under development to retain HPAP homeowners in the city by providing loans for a second “Step Up” home as families outgrow their first homes.

#### 4.A.2. Increasing the Supply of Affordable Housing for Renters and Owners

Increasing the supply of affordable housing through the preservation and rehabilitation of existing housing stock and support for new housing construction is the second part of the strategy to provide decent housing and a suitable living environment for low-to-moderate income residents.

Because Washington, D.C. is a “built-up” city, preserving and restoring existing housing is essential to the city’s housing strategy. Mayor Williams sponsored legislation, adopted as the Housing Act of 2002, which contains a number of initiatives to create new housing, restore existing properties and preserve affordable housing at risk of loss. The legislation as originally proposed will result in the building of 2,600 units of low and moderate income housing and the preservation of 2,700 units of affordable housing rental housing. It will also assist 3,500 low and moderate income households to become homeowners and enable hundreds more low-income families to keep their homes. It will return more abandoned, tax-delinquent properties to productive homeowner status and develop an incentive strategy for owners to retain Section 8 housing for tenants.

A mixed-income multifamily initiative included in the 2002 legislation will act as a spur to new housing development for persons of all income. The initiative is targeted particularly to higher-cost neighborhoods where affordable housing is scarce. Housing preservation efforts, on the other hand, will be focused on neighborhoods where long-time residents face the possibility of displacement as housing values in some formerly modest neighborhoods escalate rapidly.

In a city as diverse as Washington, D.C., targeted neighborhood initiatives are necessary to address the unique needs of various communities. New single-family housing has been developed over the past few years in neighborhoods east of the Anacostia River, which have lacked development of any kind for several decades. There also are three significant large-scale new housing developments anticipated: D.C. Housing Authority (DCHA) HOPE VI projects, the single-family home component of the development at Camp Simms, and the possible development of land owned by DCHA. In addition, there are infill opportunities on smaller parcels.

The redevelopment of severely distressed public housing, through the HOPE VI program and other DCHA revitalization programs – and with the support of the Department of Housing and Community Development (DHCD) where appropriate – is a major component of the Mayor’s strategy to improve housing choice for low-income residents of the District of Columbia. While DCHA’s plans for revitalization for the various redevelopment projects are unique and are designed specifically to enhance individual communities, all share common characteristics. Each of the projects improves the physical design elements by creating defensible space, substantially improving landscaping and incorporating the prevalent architectural characteristics of the surrounding community. The projects

are also designed to create mixed-income developments, incorporate economic and self-sufficiency opportunities for residents and provide home ownership opportunities wherever possible.

#### 4.A.3. Supporting Neighborhood Revitalization with Economic Opportunity for Low-to-Moderate Income Residents.

Through its housing development projects and community-based organization projects, DHCD supports the creation of jobs for its low-to-moderate income residents. In addition, underlying these housing programs is a support network of Community Based Organizations (CBOs) that provide residents with counseling services, assistance in applying for DHCD loans, housing location services and homeowner training.

With regard to economic development, attention will be focused on retention of the city's employment base and expanded opportunities for job and income-creating business ventures. Well-paying jobs are essential to provide the income necessary to obtain decent and affordable housing. They provide the base for balanced and stable neighborhoods, which strengthen the tax base and foster more viable communities. DHCD supports stabilization and revitalization through:

- Assisting development and redevelopment of local community and commercial/retail facilities,
- Supporting business façade programs and infrastructure improvements,
- Supporting community planning activities, and
- Improving access to job training and employment, and providing technical assistance to local businesses.

A key element in meeting this goal are CBOs and Community Development Corporations (CDC) that identify and carry out local residential, business support and other programs. CDCs develop effective relationships and communication channels within the communities they serve. This provides a vehicle within neighborhoods through which the residents can provide input and participate in decisions impacting their communities. This further promotes innovative neighborhood revitalization activities and development projects. This type of neighborhood commitment and support increases a CDC's ability to partner with other public/private entities to produce affordable housing and to generate effective economic development activities in the City, with an emphasis on neighborhoods. Thus, critical to the accomplishment of DHCD's goal are CDCs and CBOs that demonstrate organizational competence, the ability to perform, responsiveness to community needs and market demand, and ultimately, the organization's on-going capacity for leadership in the community. The primary vehicle to assist CDCs and CBOs in this effort is the Neighborhood Development Assistance Program (NDAP), which provides support for projects that are eligible for CDBG funding.

In FY 2002, NDAP has undergone extensive revision to assure that all federal funds supporting community projects are directly tied to eligible activities. Performance requirements and financial reporting have been tightened, monitoring strengthened and funding tied to specific priorities.

Through a Request for Application (RFA) process, the participation in NDAP was opened to include present and new community-based organizations. DHCD received 34 applications and a selection panel chose 13 organizations to receive NDAP funding. One organization subsequently dropped out; the twelve remaining community-based organizations selected for NDAP funding in FY 2002, along with their priority projects, are:

<b>CDC/CBO</b>	<b>Priority Projects Funded</b>
1. Anacostia Economic Development Corporation	<ul style="list-style-type: none"> <li>• Commercial district &amp; small business technical assistance (TA)</li> <li>• Façade and infrastructure improvements</li> <li>• Youth initiatives</li> </ul>
2. Central American Resource Center	<ul style="list-style-type: none"> <li>• Tenant/Housing counseling</li> </ul>
3. Cultural Development Corporation	<ul style="list-style-type: none"> <li>• Commercial district and small business TA</li> </ul>
4. Development Corp. of Columbia Heights	<ul style="list-style-type: none"> <li>• Commercial district &amp; small business TA</li> <li>• Job training and employment</li> </ul>
5. East of the River Community Development Corp.	<ul style="list-style-type: none"> <li>• Commercial district &amp; small business TA</li> <li>• Façade and infrastructure improvements</li> <li>• Youth initiatives</li> </ul>
6. H Street Community Development Corp.	<ul style="list-style-type: none"> <li>• Façade and infrastructure improvements</li> </ul>
7. Home Free USA	<ul style="list-style-type: none"> <li>• Single-Family rehabilitation demonstration program in two wards</li> </ul>
8. Inner Thoughts, Inc.	<ul style="list-style-type: none"> <li>• Job training and employment</li> </ul>
9. Just U Wait N See, Inc.	<ul style="list-style-type: none"> <li>• Tenant &amp; housing counseling</li> <li>• Job training and employment</li> </ul>
10. Marshall Heights CDC	<ul style="list-style-type: none"> <li>• Commercial district &amp; small business TA</li> <li>• Façade &amp; infrastructure improvements</li> <li>• Job training and employment</li> </ul>
11. North Capitol Neighborhood Development Corp	<ul style="list-style-type: none"> <li>• Commercial district &amp; small business TA</li> <li>• Façade &amp; infrastructure improvements</li> <li>• Youth initiatives</li> </ul>
12. Wheeler Creek Estates CDC	<ul style="list-style-type: none"> <li>• Commercial district &amp; small business TA</li> </ul>

#### **4.B. Program Descriptions**

The mission of DHCD is to strengthen District neighborhoods by facilitating the production and preservation of housing, commercial, and economic development opportunities. To accomplish this mission the department established five priority program areas in which to undertake community planning and development initiatives.\* Following are descriptions of the activities and programs to be undertaken during FY 2003. All of DHCD's programs benefit households and communities of low and moderate incomes.

##### **4.B.1. Home Buyer Assistance and Housing Recycling and Preservation**

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\* DHCD program budget lines were realigned in the Five-Year Consolidated Plan (FY 2001-2005) to reduce the number of programs and simplify their organizational structure. Reducing the number of programs and organizing them in a simplified manner allows the general public to better understand what the agency does and supports the Mayor's strategic goal to make government work more effectively.

The total number of budget lines was reduced from an unwieldy 54 to a more reasonable 32. Programs are now organized into five program groups, which reflect the major activities of the Department: 1) home buyer assistance and home recycling and preservation; 2) affordable housing production; 3) community organization support; 4) homeless support and prevention; and 5) economic and commercial development. A sixth non-program group, covers general administration and overhead.

The changes in the budget lines were approved by the Executive Office of the Mayor and were incorporated beginning with the FY 2001 budget.

The District's five-year planning strategy strongly encourages the expansion of home ownership and the preservation of the city's aging housing stock as part of an overall effort to maintain healthy and viable neighborhoods. Home ownership and home preservation efforts will help lend stability to neighborhoods, encourage families to remain in the city, and support the city's tax base. The District's efforts will be focused on:

1. Providing ownership assistance as part of neighborhood improvement and stabilization activities. Efforts include encouraging ownership opportunities in low-income neighborhoods to provide a mix of incomes in those areas, and to provide additional stability for those neighborhoods.
2. Increasing private sector participation and leveraging public funds with private resources to improve the effectiveness of current ownership programs.
3. Supporting occupants of apartment buildings to become homeowners and encouraging tenants of public or other assisted housing to move toward self-sufficiency and home ownership.
4. Emphasizing rehabilitation programs for aging, single-family housing.

The following programs are available to support home owners and buyers.

a. *Federal Homebuyer Assistance and Housing Recycling and Preservation Programs*

- *HOPE Housing Programs:* The U.S. Department of Housing and Urban Development (HUD) offers a variety of grant programs to public and nonprofit housing developers to encourage home ownership of public housing and housing which is publicly owned by local governments and/or obtained through foreclosure under federal insurance program. Funds provide assistance for both planning and actual development of housing affordable by lower-income households.
- *Federal Housing Administration (FHA) and Veterans Administration (VA) Insurance Programs:* HUD and VA offer mortgage insurance programs to provide private lender security for first mortgage loans for home purchasers within defined price limits.

b. *District Homebuyer Assistance and Housing Recycling and Preservation Programs*

The District's five-year planning strategy strongly encourages the expansion of home ownership in the city. Home ownership lends stability to neighborhoods, encourages families to remain in the city, and supports the city's tax base. The city's efforts will be focused on providing ownership assistance as part of neighborhood improvement and stabilization activities. Specific programs in this initiative are described below:

- *Home Purchase Assistance Program (HPAP):* Provides financial assistance in the form of interest-free or low-interest loans to qualified District residents to enable them to purchase homes, condominiums or cooperatives. Qualified households who are accepted into the three-tiered program are eligible for loans to meet down payment and closing cost requirements. The amount of the loan is based on several factors

<b>HPAP</b>		
Federal funds:	CDBG	\$3.7 million
Federal funds:	HOME	\$1.9 million
Local/Other funds:		<u>\$5.8 million</u>
Total:		\$11.4 million
<b>FY 03 Program Goals:</b>		536 units

including, income, household size, and the amount of assets, which each applicant has to commit toward the purchase price. The loans are subordinate to private first trust mortgages. Also included are: 1) the D.C. Employer-Assisted Housing; and 2) Metropolitan Police Housing Assistance programs.

- *Home Ownership Developers Incentive Fund (HoDIF):* Provides grants to Community Development Corporations and other nonprofit development entities to help lower the sales price of units developed by nonprofits to make them affordable by low- and moderate-income purchasers.

#### **HoDIF**

Federal funds: CDBG \$0.2 million

**FY 03 Program Goals:** Included in count of CAP and MFHRP units

- *Homestead Housing Preservation Program:* Takes possession of tax delinquent real property (and, occasionally, DHCD foreclosures) and sells them to first-time homebuyers for as little as \$250 per unit. In exchange, the purchaser commits to enroll in and complete a home ownership training course, rehabilitate the property, reside in the property for a minimum of five years, and return it to the real property tax rolls. While all households are eligible to participate, low- and moderate-income participants receive a \$10,000 deferred mortgage to assist them with gap financing.

#### **Homestead**

Federal funds: CDBG \$0.4 million

Local/Other funds: \$0.3 million

Total: \$0.7 million

**FY 03 Program Goals:** 15 units

- *Single Family Residential Rehabilitation Program:* This program is a source of low-cost financing for the rehabilitation of 1-4 unit residential housing which is either owner-occupied or investor-owned and located primarily in designated Community Development Areas and Enterprise Communities within the District of Columbia. The program provides low interest, amortized loans for up to 20 years and no-interest deferred loans, depending on the financial circumstances of the borrower and the amount of rehabilitation required to correct housing code deficiencies. Additional initiatives within this program include: (1) the Weatherization/ Roofing Assistance Program; (2) the Lead-Based Paint Abatement Program; (3) the Senior Citizen's Home Repair and Improvement Program (SCHRIP); and (4) the Handicapped Accessibility Improvement Program.

#### **SFRRP**

Federal funds: CDBG \$1.2 million

Federal funds: HOME \$0.5 million

Local/Other funds: \$1.1 million

Total \$2.8 million

**FY 03 Program Goals:** 55 units

- *Tenant's Apartment Purchase Program:* Offers financial assistance to low- and moderate-income occupants of rental housing in the District to purchase their building when threatened with displacement because of a proposed sale of the building to a third party. The program also provides technical service assistance to nonprofit organizations that provide counseling, loan packaging and other technical services to low- and moderate-income tenant groups desiring to purchase their existing units and convert them to tenant-owned cooperatives and condominiums, and provides housing management assistance to recently formed low- and moderate-income cooperatives and condo associations.

#### **TAPP**

Federal funds: CDBG \$0.6 million

**FY 03 Program Goals:** 200 families assisted

#### 4.B.2. Affordable Housing Production

The District of Columbia is committed to increasing the quantity of affordable housing available through construction of new housing and preserving its aging housing stock. The thrust to produce affordable housing through its creation and renovation is part of an overall effort to maintain healthy and viable neighborhoods for all District residents, including segments of the population with special needs. Particularly encouraged is additional ownership housing in areas with high concentrations of lower-income and/or rental housing to bring more balance and stability to those areas. Supplemented by significant private sector financing, all of the programs in this initiative support the home ownership goal and help broaden the base of affordable housing in the District.

a. *Federal Affordable Housing Production Programs*

- *Section 8 Existing Housing:* Provides rental subsidies to assist low-income tenants to pay the gap between what they can afford and the market rent levels of private apartments. Assistance is administered through the D.C. Housing Authority (DCHA).
- *Section 202:* Provides construction and Section 8 rental assistance subsidies in projects developed as elderly housing by nonprofit housing developers.
- *Public Housing Development:* Provides funding to local housing authorities (e.g., DCHA) for development of additional public housing units. Funding on a national level is extremely limited.
- *Public Housing Comprehensive Grant Program:* Provides funding to DCHA for repair and modernization of existing public housing units.
- *Federal Housing Administration (FHA) Programs:* FHA mortgage-insurance is available for development of single family and multi-family special need housing to provide private lender security for first mortgage loans within defined program guidelines. It also is available for development of multifamily rental housing to provide private lender security for first mortgage loans within defined program guidelines.
- *Low income Housing Tax Credit Program:* Provides federal income tax credits to developers of new or rehabilitated rental housing for the production of housing affordable to low- and moderate-income persons.
- *Section 811:* Provides construction and Section 8 rental assistance subsidies in projects developed as housing for persons with disabilities (including persons with AIDS) by nonprofit housing developers.
- *Section 8 Moderate Rehabilitation:* Provides rental subsidies for Section 8 rental assistance in projects developed as single room occupancy (SRO) housing, primarily for homeless or special needs population. Subsidies are provided to developers through the District of Columbia Housing Authority (DCHA).
- *McKinney Housing Programs:* The McKinney housing programs are actually several different federal programs available to local governments and nonprofit organizations to support the development and operation of a variety of housing programs targeted at meeting the needs of homeless and other special need housing groups. These programs include:
  - Emergency Shelter Grants (ESG)
  - Housing Opportunities for Persons with AIDS (HOPWA)
  - Supportive Housing
  - Shelter Plus Care
  - Safe Havens
  - Transitional Housing

- *Section 8 Existing Housing:* Special set-asides for the homeless may be funded by HUD to provide rental subsidies to assist low-income tenants to pay the gap between what they can afford and the market rent levels of private apartments. Assistance is administered through the DCHA.

b. *District Affordable Housing Production Programs*

**DHCD Programs**

- The *Construction Assistance Program* facilitates the development of land by providing funds for preparing sites for marketing and disposition, construction of new housing, commercial units, and other uses. Funds also may be used for the acquisition of sites, which are appropriate for development of new housing for low- and moderate-income persons, commercial development, and other economic development purposes that will create jobs for low- and moderate-income persons, or provide services primarily to residents of areas with a majority of low- and moderate-income persons.

**CAP**

Federal funds:	CDBG	\$2.5 million
Federal funds:	HOME	\$0.7 million
Local/Other funds:		<u>\$0.4 million</u>
Total		\$3.6 million

**FY 03 Program Goals:** 408 units



- *Multi-Family Housing Rehabilitation Program:* This program is a source of low-cost interim construction financing and permanent financing for the rehabilitation of residential property containing five or more units. In addition, the Apartment Improvement Program (AIP) provides technical assistance to rental housing development to develop comprehensive improvement plans involving owners, renters and financial institutions in a cooperative effort to upgrade rental housing. The Distressed Property Improvement and Tax Abatement and Incentives Programs provide tax relief and other financial incentives (e.g., deferral or forgiveness of delinquent property tax liens and water/sewer fees) to occupied rental properties where owners are willing to make property repairs and retain lower income occupancy as authorized in Section 804 and 805 of the Rental Housing Act of 1985.

**MFHRP**

Federal funds:	CDBG	\$7.3 million
Federal funds:	HOME	\$2.5 million
Local/Other funds:		<u>\$0.4 million</u>
Total		\$10.2 million

**FY 03 Program Goals:** 1,055 units

- *Affordable Housing Production Assistance Program:* This program combines into one program all of the housing production support activities of several programs, including the Community Land Acquisition Program, Property Purchase for Rehabilitation and Housing Development Program, Low-Income Housing Tax Credit, and Real Estate Appraisal Services. This program offers important supports to developers to aid in the production of affordable housing.

**AHPAP**

Federal funds:	CDBG	\$0.4 million
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**FY 03 Program Goals:** N/A – administrative funding

- Community Land Acquisition Program: Provides assistance to nonprofit land trusts to acquire land and buildings for development of low- and moderate-income housing. Title to the property is retained by the nonprofit trust with provisions for permanent dedication for use as low- and moderate-income housing.
- Property Purchase for Rehabilitation and Housing Development Program: Provides for DHCD purchase of private property (on a voluntary basis and/or through the foreclosure process) for resale for rehabilitation and housing development. Properties acquired may be deteriorated or vacant, and may be acquired in conjunction with the District's Homesteading Program.
- Low-Income Housing Tax Credit (LIHTC): Provides federal income tax credits to developers of new or rehabilitated rental housing for the production of housing affordable to low- and moderate-income persons.
- Real Estate Appraisal Services: This activity funds appraisals, title reports, and other services related to the acquisition and disposition of real property and of other programs as needed.
- *Housing Production Trust Fund:* This program provides financial assistance to nonprofit and for-profit developers for the production of low- to moderate-income housing and related facilities on a city-wide basis. Operating as a revolving fund using public and private local funds, the program assists a wide range of housing activities dealing with all aspects of housing production and preservation. Housing assisted maybe either rental or ownership housing. No federal funds are used for this program. Program goals will be set by the Advisory Board.
- *Land Acquisition for Housing Development Organizations:* This program acquires property (using primarily District capital budget funds) and provides for long-term lease-back or low cost terms to private developers that produce housing for low- and moderate-income rental housing.

**LAHDO**

Local/Other funds	\$0.4 million
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- *Community Housing Development Organizations (CHDO) Program*: Under the federal regulations governing the District's participation in the HOME program, 15 percent of the HOME entitlement grant is set aside to fund Community Housing Development Organization, or CHDO, activities. Development organizations must be certified by DHCD to participate in the CHDO program. Investments under this program in CHDOs are for the purpose of supporting these nonprofit organizations in developing and managing decent and affordable housing in the District.

#### **CHDO**

Federal funds      HOME      \$1.1 million

**FY 03 Program Goals:** Included in count of CAP and MFHRP units

- *Housing Finance for the Elderly, Dependent and Disabled (HoFEDD)*: Provides financing to private for profit and nonprofit applicants to develop housing, including community-based residential facilities, for households with special housing needs, including the elderly, disabled, homeless and individuals undergoing treatment for substance abuse. DHCD provides the acquisition and rehabilitation assistance in the form of deferred or amortized loans to qualified organizations for eligible activities.

#### **HoFEDD**

Federal funds      HOME      \$0.5 million

**FY 03 Program Goals:** Included in count of CAP and MFHRP units

### **Other District Government Agency Programs**

- *Multi-Family Rental Housing Program*: Operated through the D.C. Housing Finance Agency, uses tax-free mortgage bonds to provide first trust construction and permanent financing at below market interest rates for developers of new or rehabilitated multi-family housing in the District.
- The Mayor has implemented a *Vacant and Abandoned Housing Initiative* to address some of the almost 4,000 abandoned and tax delinquent properties in the District. Renovation contractors will be able to bid on blocks of properties consisting of 5-20 unoccupied homes or vacant lots, which they will renovate and then sell. The properties will be grouped by location and by cost of renovation. By carefully selecting and bundling the properties, the initiative will allow for a cross-subsidy. Higher value properties will compensate builders for a city-imposed requirement to reserve approximately 30% of the homes for low-income purchasers.

#### **4.B.3. Community Organization Support**

A substantial component of DHCD's impact on neighborhoods is carried out through funding provided to Community Development Organizations (CDC) and Community Based Organizations (CBO). The goals and objectives under this program support these nonprofit community-based organizations that provide a variety of services to the city.

### **District Community Organization Support Programs**

- *Neighborhood Development Assistance Program (NDAP)*: DHCD works in partnership with nonprofit CDCs and CBOs to revitalize the neighborhoods that they serve. Critical to the accomplishment of this goal are CDCs and CBOs that demonstrate organizational competence, the ability to perform, responsiveness to

#### **NDAP**

Federal funds      CDBG      \$4.1 million

#### **FY 03 Program Goals:**

Job training: 275 persons

Tech. Assistance 375 businesses

Single family home rehab 30

community needs and market demand, and ultimately, the organization's on-going capacity for leadership in the community. The primary vehicle to assist CDCs and CBOs is the Neighborhood Development Assistance Program (NDAP), which provides project and program delivery support. NDAP targets intensive revitalization efforts in major neighborhood commercial corridors that have experienced economic decline and physical decay. Through the CDCs and CBOs, DHCD seeks to support and strengthen existing businesses, broaden the commercial mix of stores, restaurants and services, increase the affordable housing market and make façade and infrastructure improvements.

- *Community Based Services Program:* DHCD works in partnership with CBOs to provide housing counseling services that promote home ownership and stabilize residential neighborhoods. The Community Based Services Program provides a broad range of services related to housing counseling services, including program intake, community outreach, and citizen participation, with an emphasis on home ownership. Through CBOs, DHCD seeks to increase the number of homeowners, create better housing opportunities, and educate residents through outreach activities that promote self-sufficiency. DHCD's support enables CBOs to stimulate home ownership through the Home Purchase Assistance (HPAP) and Homestead Housing Preservation programs.

<b>CBSP</b>		
Federal funds	CDBG	\$1.3 million
<b>FY 03 Program Goals:</b>		
Persons counseled		6,000

- *Neighborhood Initiatives Support Program (NISP) Equity Grant Fund:* The NISP fund was created by the City Council to make available grant funds to the Neighborhood Development Assistance Program (NDAP). The program is designed to give NDAP participants the ability to take a financial stake in strategic business and economic development projects in their service communities. Funds may be used for acquisition, equity, capital, and pre-development costs.

<b>NISP</b>		
Federal funds	CDBG	\$1.0 million
<b>FY 03 Program Goals:</b>		
		N/A

- *Community Activities and Services Support Program:* This program is constructed of several programs that support activities and services in the community, including the Relocation Payments and Assistance Program, Fair Housing Program, Special Disability Services Program, Community Development Planning Contracts and Program Development Studies, and Public Service Activities Small Grants Program.

<b>CASSP</b>		
Federal funds	CDBG	\$0.1 million
<b>FY 03 Program Goals:</b>		
		N/A

- Relocation Payments and Assistance Program: Provides relocation services to all residents and businesses that must involuntarily relocate as a result of a project funded by federal funds.
- Fair Housing Activities: Funds fair housing education and outreach activities. For a broader description of the Department's fair housing activities, see Section 7.B.
- Community Development Planning Contracts and Program Development Studies: Provides technical consultant services, including land use planning, project feasibility studies, and environmental studies. Administrative funds may also be made available for planning and development of innovative projects and techniques to meet housing and community development needs and objectives.
- Public Service Activities Small Grants Program: Provides small grants (\$50,000 maximum) to support public service activities in the community.

#### 4.B.4. Homeless Support and Prevention

The Emergency Shelter Grants (ESG) is designed to improve the quality of existing emergency shelters for the homeless, assist in making additional shelters available, help meet the costs of operating emergency shelters, and provide certain essential social services to homeless individuals.

<b>ESG</b>		
Federal funds	ESG	\$0.8 million
<b>FY 03 Program Goals:</b>		See text

The District's current homeless and special needs housing efforts are coordinated and managed by The Community Partnership for the Prevention of Homelessness ("the Partnership"). The Partnership serves as the lead agency for the homeless Continuum of Care under a 5-year grant (FY 2000 - FY 2004) from the Department of Human Services (DHS) to address the needs of the District's dependent population, including the homeless and other special need populations (e.g., the frail elderly, chronically mentally ill, drug and alcohol abusers, and persons with AIDS/ HIV).

The current District/Partnership-managed Continuum of Care for homeless persons provides the following capacities of shelter and supportive services:

- Prevention;
- Van outreach and transportation to shelters;
- A 24-hour, 1-800 SHELTER hotline;
- A Special Outreach Program to bring people off the streets directly into housing;
- Transitional shelter and housing;
- Emergency shelter;
- Permanent supportive housing; and
- Stand-alone supportive services such as employment, daycare and health services.

To date in FY 02, the Partnership has reported assisting 12,300 persons: 141 with emergency eviction prevention grants, and 12,159 with hotline, outreach and transportation services.

The Department is exploring the option of amending the Consolidated Action Plan to change administration partnership for the ESG grant. Our goal is to provide the funds to the Department that best administers central services to homeless residents. We believe that this change will result in services being delivered in a more efficient and humane manner.

#### 4.B.5. Economic and Commercial Development

The District has adopted a strategy to create job and business opportunities for District residents as part of its effort to create and maintain healthy and viable neighborhoods. This has several benefits, including a stronger tax base, more stable neighborhoods and more income to afford increasing housing costs. The District's community development efforts will focus on:

1. Improving the operation of existing economic development programs within the District and negotiating with private lenders for targeted, creative financing of economic development in key geographic and marketing areas where public funds can effectively leverage private financing.
2. Marketing and developing District-owned sites that will provide key, visible "anchors" for economic revitalization and neighborhood stabilization. Targeted sites include major commercial areas such as Fort Lincoln, Columbia Heights, Anacostia Gateway, and Camp

Simms. Also supporting the National Capitol Revitalization Corporation in the redevelopment of the Skyland Shopping Center in Anacostia.

3. Expanding community development areas to include areas of economic development opportunities.
4. Assisting neighborhood-based community development corporations to stimulate economic development.
5. Monitoring and encouraging Community Reinvestment Act financing opportunities by private lenders.
6. Stimulating the creation of small and minority businesses to serve under-served markets in the city. This will include monitoring and enforcing contracting and employment goals for District firms and residents.
7. Providing public and assisted housing residents and other low-income families (including the homeless) job training and other economic self-sufficiency support.
8. Enhancing efforts to retain and attract private sector firms in the city, including special attention to tax and regulatory provisions, which adversely impact their operation in the District.

The District will enhance its efforts to retain businesses in and attract businesses to the city, including special attention to tax and regulatory provisions, which adversely impact their operation in the District. Also of prime importance is the creation of small and minority-owned businesses in under served markets in the city, including monitoring and enforcing local contracting and employment goals for District firms and residents.

### **DHCD Programs**

- *Economic Development Program (Section 108 Loan Repayments):* This program account supports DHCD's payments under the Section 108 loan program. DHCD's FY 2003 obligation is \$500,000.
- *Urban Renewal and Community Development Property Management:* DHCD provides property management services, rent collection, and limited maintenance for properties owned by the Department. These properties were acquired under the old urban renewal program or as part of the community development program and are pending disposition. There is \$747,414 budgeted for FY 2003.
- *Community Development Planning Contracts and Program Development Studies:* This activity provides technical consultant services including land use planning, project feasibility studies, and environmental studies. Funds may also be made available for planning and development of innovative projects and techniques to meet housing and community development needs and objectives. There is \$100,000 budgeted for FY 2003.

### **Other District Government Agency Programs**

The Office of the Mayor is preparing implementation of two new programs that will complement and enhance the DHCD offerings:

- The Main Street Program to assist community groups in restoring local business districts, and
- The "Re-Store DC" program tailored to retention and assistance for individual small businesses.

#### 4.B.6. General Administration and Overhead

Community Development Block Grant (CDBG) funds may be used to pay reasonable program administration costs and carrying charges related to the planning and execution of community development activities assisted in whole or in part with funds provided under the CDBG or HOME programs.

<b>General Admin. and Overhead</b>		
Federal funds:	CDBG	\$6.9 million
	HOME	\$0.8 million
	ESG	\$20,750
Local/Other funds:		<u>\$1.1 million</u>
		\$8.9 million

Program administration costs includes staff and related expenditures required for overall program management, coordination, monitoring, reporting, and evaluation. Other activities eligible under this category include:

- Citizen participation costs;
- Fair housing activities;
- Indirect costs charged using an accepted cost allocation plan;
- Development of submissions or applications for Federal programs; and
- Certain costs of administering the HOME program or a Federally designated Empowerment Zone or Enterprise Community.

#### 4.C. HUD Entitlement Grant Program Budgets

##### CDBG Program (CD-28)

<b>1. Home Buyer Assistance and Housing Recycling and Preservation</b>	
a. Home Purchase Assistance Program (HPAP)	\$ 3,703,462
b. Home Ownership Developer's Incentive Fund (Nonprofit)	197,000
c. Homestead Housing Preservation Program	445,850
d. Single Family Residential Rehabilitation Program	1,197,507
e. Tenants Technical Assistance Program	658,000
<b>TOTAL</b>	<b>\$ 6,201,819</b>

<b>2. Affordable Housing Production</b>	
a. Construction Assistance Program	\$ 2,527,575
b. Multi-Family Housing Rehabilitation Program	7,320,626
c. Affordable Housing Production Assistance Program Total Fund	400,000
d. National Capital Revitalization Corporation	1,200,000
<b>TOTAL</b>	<b>\$ 11,448,201</b>

<b>3. Community Organization Support</b>	
a. Neighborhood Development Assistance Program (NDAP)	\$ 4,891,209
b. Community-Based Organizations Neighborhood Services Program	1,340,000
c. Neighborhood Initiatives Support Program (NISP)	1,000,000
d. Community Activities and Services Support Program	140,000
<b>TOTAL</b>	<b>\$ 7,371,209</b>

<b>4. Economic and Commercial Development</b>	
a. Economic Development Program	\$ 500,000
b. Urban Renewal and Community Development Property Management	747,417
c. Community Development Planning Contracts/Studies	100,000
<b>TOTAL</b>	<b>\$ 1,347,414</b>

<b>5. General Administration and Overhead</b>	<b>\$ 6,915,437</b>
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**Total CDBG Program      \$33,284,080**

### HOME Program

1. Home Purchase Assistance Program	\$ 1,876,500
2. Single-Family Rehabilitation Program	524,000
3. Construction Assistance Program	700,000
4. Multi-Family Rehabilitation Program	2,500,000
5. HoFEDD (Special Need Housing)	500,000
6. CHDO Program (15% set-aside) Program	\$ 1,148,100
<b>Subtotal</b>	<b>\$ 7,248,600</b>
7. Program Monitoring and Administration Total HOME Program Fund	805,400
<b>TOTAL HOME Program</b>	<b>\$ 8,054,000</b>

### Emergency Shelter Grant (ESG) Program

<b>Homeless Support and Prevention</b>	
Emergency Shelter Grant Program Total Fund	\$ 830,000
<b>TOTAL</b>	<b>\$ 830,000</b>

### Housing Opportunities for Persons With AIDS Program (HOPWA)

1. Housing Information Services	\$ 200,000
2. Resource Identification	0
3. Acquisition, Rehab., Conversion, Lease, and Repair of Facilities	0
4. New Construction, Dwellings and Community Residences	0
5. Project-based Rental Assistance	400,000
6. Tenant-based Rental Assistance	2,642,474
7. Short-term rent, Mortgage, and Utility Payments	300,000
8. Supportive Services	700,000
9. Operating Costs	100,000
10. Technical Assistance	100,000
11. Administrative Expenses – 7% Cap	345,526
12. Administrative Expenses - Grantee 3% Off the Top Total HOPWA Formula Award	261,630
<b>TOTAL</b>	<b>\$ 5,049,630</b>